

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA	§	Claim No: 1999A13372/1999A13373
	§	
vs.	§	
	§	
Zenobia M. Reed aka Zenobia Bailey aka Zenobia Williams		

COMPLAINT

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

The United States of America, plaintiff, alleges that:

Jurisdiction

1. This Court has jurisdiction over the subject matter of this action pursuant to Article III, Section 2, U.S. Constitution and 28 U.S.C. § 1345.

Venue

2. The defendant is a resident Wayne County, Michigan within the jurisdiction of this Court and may be served with service of process at 4980 Opal Street, Apt. 221, Grosse Pointe, Michigan 48236.

The Debt

First Cause of Action - Claim Number: 1999A13372

3. The debt owed the USA is as follows:

A. Current Principal (<i>after application of all prior payments, credits, and offsets</i>)	\$2,146.45
B. Current Capitalized Interest Balance and Accrued Interest	\$4,149.13
C. Administrative Fee, Costs, Penalties	\$38.87

D. Attorneys fees	\$0.00
Total Owed - Claim Number 1999A13372	\$6,334.45

Second Cause of Action - Claim Number: 1999A13373

4. The debt owed the USA is as follows:

A. Current Principal (<i>after application of all prior payments, credits, and offsets</i>)	\$2,828.53
B. Current Capitalized Interest Balance and Accrued Interest	\$4,818.45
C. Administrative Fee, Costs, Penalties	\$50.94
D. Attorneys fees	\$0.00
Total Owed - Claim Number 1999A13373	\$7,697.92

TOTAL OWED (Claim Numbers 1999A13372 and 1999A13373) \$14,032.37

The Certificate of Indebtedness, attached as Exhibit "A" and "B", show the total owed excluding attorney's fees and CIF charges. The principal balance and the interest balance shown on the respective Certificates of Indebtedness, are correct as of the date of the Certificates of Indebtedness after application of all prior payments, credits, and offsets. Prejudgment interest accrues at the rate of 9.130% per annum or \$0.54 per day on Claim Number 1999A13372 and 8.000% per annum or \$0.62 per day on Claim Number 1999A13373.

Failure to Pay

5. Demand has been made upon the defendant for payment of the indebtedness, and the defendant has neglected and refused to pay the same.

WHEREFORE, USA prays for judgment:

A. For the sums set forth in paragraph 3 and 4 above, plus prejudgment interest through the date of judgment, all administrative costs allowed by law, and post-judgment interest pursuant to 28 U.S.C. § 1961 that interest on the judgment be at the legal rate until paid in full;

B. For attorneys' fees to the extent allowed by law; and,

C. For such other relief which the Court deems proper.

Respectfully submitted,

By: s/Charles J. Holzman (P35625)

Holzman Corkery, PLLC

Attorneys for Plaintiff

Tamara Pearson (P56265)

28366 Franklin Road

Southfield, Michigan 48034

(248) 352-4340

usa@holzmanlaw.com

**U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA**

CERTIFICATE OF INDEBTEDNESS

Zenobia M. Reed
Zenobia M. Williams
3911 Somerset
Detroit, MI 48224

I certify that Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 09/10/98.

On or about 04/06/89, the borrower executed promissory note(s) to secure loan(s) of \$1,850.00 from First America Savings dba MAHELP - Longmont, CO at 9.13% percent interest per annum. This loan obligation was guaranteed by Northstar Guarantee, Inc. and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 CFR. Part 682). The holder demanded payment according to the terms of the note(s), and credited \$0.00 to the outstanding principal owed on the loan(s). The borrower defaulted on the obligation on 10/20/89, and the holder filed a claim on the guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,146.45 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. The guarantor attempted to collect the debt from the borrower. The guarantor was unable to collect the full amount due, and on 07/27/93, assigned its right and title to the loan(s) to the Department.

Since assignment of the loan, the Department has received a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any. After application of these payments, the borrower now owes the United States the following:

Principal:	\$2,146.45
Interest:	\$1,424.71
Administrative/Collection Costs:	\$ 38.87
Late fees	\$ 0.00
Total debt as of 09/10/98:	\$3,610.03

Interest accrues on the principal shown here at the rate of \$0.54 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 9/23/98

Name: Joan Dyer
Title: Loan Analyst
Branch: Litigation Branch

FEB 20 1989

SECTION A - TO BE COMPLETED BY BORROWER (PRINT IN INK - PRESS HARDY OR TYPE)

1. NAME (NO Nicknames)
LAST: Williams FIRST: Zenobia

4. PERMANENT ADDRESS
CITY: 1052 manistique STATE: MI ZIP: 48215

6. U.S. CITIZENSHIP STATUS (CHECK 1 OR 2)
1 ☒ U.S. CITIZEN OR NATIONAL 2 ☐ PERMANENT RESIDENT OR OTHER ELIGIBLE ALIEN

7. PERMANENT RESIDENT OF WHICH STATE: MI

8. DRIVER LICENSE NUMBER (IF YOU DO NOT HAVE A LICENSE, PRINT "NONE" AND GO TO 9):

9. ADDRESS OF BORROWER WHILE IN SCHOOL (STREET, CITY, STATE, ZIP):
same

10. PHONE AT SCHOOL ADDRESS: () same

11. MAJOR FIELD OF STUDY (SEE CODES IN APP. BOOKLET): 13

12. LOAN AMOUNT REQUESTED: \$ 1850

13. PERIOD LOAN WILL COVER: FROM 3 89 TO 9 89

PRIOR LOAN INFORMATION: READ INSTRUCTIONS IN THE APPLICATION BOOKLET

14a. DO YOU HAVE ANY PRIOR UNPAID SLS (ALAS) LOANS? ☐ YES (GO TO 14b) ☒ NO (GO TO 18)

14b. IF YES, TOTAL UNPAID PRINCIPAL BALANCE: \$

15. UNPAID PRINCIPAL BALANCE OF MOST RECENT PRIOR SLS (ALAS): \$

16. GRADE LEVEL OF MOST RECENT PRIOR SLS (ALAS). SEE INSTRUCTIONS IN APP. BOOKLET: 11

17. LOAN PERIOD START DATE OF MOST RECENT PRIOR SLS (ALAS):

18. HAVE YOU EVER DEFAULTED ON A G.S.L. SLS (ALAS), PLUS, PERKINS, CONSOLIDATED, OR INCOME GUARANTEED LOAN? ☐ YES (GIVE DETAILS ON SEPARATE SHEET) ☒ NO

REFERENCES (YOU MUST PROVIDE THREE DIFFERENT NAMES, WITH DIFFERENT U.S. ADDRESSES AND PHONE NUMBERS)

19a. NAME: <u>Tom O'Brien</u> STREET: <u>52167 Beaconsfield</u> CITY, STATE, ZIP: <u>Detroit, MI 48224</u>	19b. NAME: <u>Angela Brooks</u> STREET: <u>15750 14th St</u> CITY, STATE, ZIP: <u>Detroit, MI 48235</u>	19c. NAME: <u>Laoborne Bailey</u> STREET: <u>12760 Flander</u> CITY, STATE, ZIP: <u>Detroit, MI 48205</u>
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20. YOUR LENDER MAY ALLOW THE INTEREST TO ACCRUE AND DEFERRED OR YOUR LENDER MAY COLLECT THE INTEREST FROM YOU IN PERIODIC INSTALLMENTS. IF YOUR LENDER GIVES YOU A CHOICE, WHICH DO YOU PREFER?
☒ PERIODIC INSTALLMENT PAYMENTS ☐ MULTIPLE CAPITALIZE

NOTICE TO BORROWER: You agree that the lender identified in Section C is the lender you have chosen. You must read the attached Promissory Note terms and the Borrower's Certification on the reverse side before signing this Promissory Note. PROMISE TO PAY: I promise to pay to the order of my lender the entire Loan Amount Requested shown above, to the extent that it is advanced to me, including the Guarantee Fee and interest on the unpaid principal balance, subject to the terms and conditions described on the reverse side of this Promissory Note and to the terms and conditions contained in the Disclosure Statement that will be provided to me no later than the time of the first disbursement of this loan. I have read, I understand, and I agree to the Borrower's Certification on the reverse side of this Promissory Note. I understand that this is a Promissory Note. I will not sign it before reading all of its provisions, even if otherwise advised. I am entitled to a copy of this Promissory Note. By signing this Promissory Note, I acknowledge that I have received an exact copy of it.

22a. SIGNATURE OF BORROWER (APPLICATION CANNOT BE PROCESSED WITHOUT SIGNATURE): Zenobia Williams

22b. DATE BORROWER SIGNED: 4.6.89

SECTION B - TO BE COMPLETED BY SCHOOL (BORROWER DO NOT WRITE IN SECTIONS BELOW)

23. NAME OF SCHOOL: United Schools Inc. 25. PHONE: (813) 784-0660

26. SCHOOL CODE: 022952

27. SCHOOL BRANCH: 0000

28. ADDRESS (STREET, CITY, STATE, ZIP): P.O. Box 6399 Clearwater, FL 34618-6399

29. PERIOD LOAN WILL COVER: FROM 3 89 TO 9 89

30. STUDENT'S GRADE LEVEL (CHECK ONE): ☒ UNDERGRAD ☐ GRAD

31. ANTICIPATED GRADUATION DATE: 9 23 89

32. STUDENT'S EMPLOYMENT STATUS (CHECK 1 OR 2): ☐ FULL TIME ☒ HALF TIME

33. STUDENT STATUS: ☐ INDEPENDENT ☒ DEPENDENT

34. COST OF ATTENDANCE FOR LOAN PERIOD: \$ 4475

35. ESTIMATED FINANCIAL AID FOR LOAN PERIOD: \$ 2625

36. DIFFERENCE (ITEM 34 LESS ITEM 35) OR MAXIMUM: \$ 1850

37. SUGGESTED DISBURSEMENT DATES: 1ST DISB: 3 23 89 2ND DISB: 9 23 89 3RD DISB: 12 23 89

38. DO SUGGESTED DISBURSEMENT DATES CORRESPOND TO SCHOOL TERMS? YES ☒ NO ☐

39. WILL THE STUDENT ATTEND A FOREIGN SCHOOL? YES ☐ NO ☒

40. SCHOOL USE ONLY

I HAVE READ, I UNDERSTAND, AND I AGREE TO THE TERMS OF THE SCHOOL CERTIFICATION PRINTED ON THE REVERSE SIDE OF THIS APPLICATION.

41. SIGNATURE OF SCHOOL OFFICIAL: Nancy R. Davis 42. DATE SIGNED: 4.14.89 43. PRINT NAME AND TITLE: NANCY R. DAVIS, FAD

SECTION C - TO BE COMPLETED BY LENDER

44. NAME OF LENDER: SAVINGS 45. DISBURSEMENT DATE: 5.1.89

46. FIRST AMERICA Student Loan Corp. dba MAHELP

47. ADDRESS (STREET, BUILDING): P.O. Box 820 48. LENDER FOC: 336374 49. LENDER BRANCH: 000284

50. CITY, STATE, ZIP: Longmont, CO 80501 51. LENDER USE ONLY: (303) 678-5222

52. NUMBER OF MONTHLY INSTALLMENTS: 45 53. DUE DATE OF FIRST PAYMENT: 10.23.89 54. LENDER ACCOUNT NUMBER: 1850 55. LENDER USE ONLY: 1850

56. SIGNATURE OF LENDING OFFICIAL: Carol L. Ely 57. DATE SIGNED: 4.24.89 58. PRINT NAME AND TITLE: Carol L. Ely

SECTION D - TO BE COMPLETED BY HEAR

59. PROMISSORY NOTE STATUS: 1 60. CREDIT APPROVAL INDICATOR: 1

LENDER COPY

SLS PROMISSORY NOTE**A. PROMISE TO PAY**

The Interest and Guarantee Fee rates and terms (mentioned in the Promise to Pay on the front of this application promissory note) are:

1. Interest. For a PLUS or SLS loan disbursed prior to July 1, 1997 the interest may be 9, 12, or 14 percent. For loans disbursed on or after July 1, 1997 the interest will be equivalent to interest on the Loan Amount shown on the front of this application promissory note at a variable rate not to exceed 12 percent per year. The interest rate will be determined annually and will be disclosed to me prior to disbursement of my loan. The interest rate for any year will be the rate published for that year by the U.S. Department of Education for variable-rate PLUS and SLS loans.

2. Guarantee Fee.

HEAF may charge a fee to guarantee my loan. The amount, if any, is governed by current law, applicable regulations, and HEAF policy and Rules and Regulations. The Guarantee Fee will be deducted from my check. I understand that this charge is not subject to refund except for the amount attributable to any disbursement I do not receive, which refund will, at the lender's option, be applied to my loan balance or be returned to me. My loan disclosure statement will show the actual guarantee fee charged.

B. DISCLOSURE OF LOAN INFORMATION

I understand that before I receive my loan statement that identifies all the terms of a

C. GENERAL

I understand that the lender has applied Higher Education Assistance Foundation and the terms of this Promissory Note and of the Higher Education Act of 1965, as amended under the Act, and the Rules and Regulations law. This Note shall be governed by the law

D. REPAYMENT

1. I understand I can either defer principal immediately. These options are described front of this application promissory note. **Deferred Repayment.** If I answer YES to 4 reasons explained under Deferral in the repayment period on this loan begins due within 60 days of disbursement. I have at my lender's option, and in accordance statement:

- a. be paid by me in installments, or
- b. accrue and be added to the principal amount quarterly, in accordance with laws and regulations. I will contact the lender prior to expiration of repayment. If I neglect to do so, I authorize the guarantor, set forth in Paragraph 2 of this promissory note, to inform me of the terms in writing to the lender.

Immediate repayment. If I answer NO to 4 interest within 60 days of disbursement.

2. I will repay this loan within 10 years of the time it generally lasts at least 5 years but no more than these rules apply:
 - a. The lender may require a repayment be made during each year of the repayment period. I will pay at least \$600 or the unpaid principal balance, whichever is greater.
 - b. If I qualify for any deferment period described in the "Forfeiture" section, those periods will not count against me.

3. The particular terms and conditions of the loan disclosure statement that the lender

4. My obligation to repay this loan shall be entirely disabled.

E. PREPAYMENT

At my option and without penalty, I may pay principal balance of this Note in the form of a lump sum or in installments. I have paid the same method by which interest payments

F. DEFERMENT OF PAYMENT

In certain instances authorized by the Act, the payments of principal I am required to make as described under Repayment in this Note may be deferred. The instances currently authorized by the Act are described under Deferral in the HEAF application information booklet. If I seek such deferment, I agree to comply with the relevant federal regulations and the Rules and Regulations of HEAF, including without limitation submission of required forms to the lender. I am not responsible for payment of interest during any period of deferment which my lender may: (a) collect on a periodic basis, or (b) add to the principal balance of the loan.

G. FORFEITURE

If I am unable to repay this loan in accordance with the terms established under Repayment in this Note, I may request the lender to modify these terms. I understand that such modification would be at the lender's option and would have to be in compliance with the Act, federal regulations adopted under the Act and the Rules and Regulations of HEAF. I understand that a modification of repayment terms under this Section is different from Deferral as described in this Note and that during this period I will remain responsible for payment of interest, which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of this loan.

H: DEFAULT

1. Definition—I understand that under the Act, and HEAF Rules and Regulations, any of the following events is a default:

- a. failing to make any installment payment when due, provided that this failure persists for 180 days for a loan repayable in monthly installments or 240 days for a loan repayable in less frequent installments;
 - b. making any false representation for the purpose of obtaining this loan;
 - c. using the loan proceeds for other than educational purposes;
 - d. failing to enroll in the school that completed the application for the time identified as my loan period;
 - e. not notifying the lender immediately if: (a) drop to less than a half time student; (b) change my graduation date; (c) change my name; or (d) change my permanent address.
2. Consequences of default—If I default on this loan:
- a. The lender may declare the entire unpaid amount of the loan, including interest, immediately due and payable;
 - b. The lender, holder, or guaranty agency may disclose to schools I have attended for a currently attending information about the default;
 - c. I will be ineligible to receive assistance from all Title IV programs and any of the following federal programs: Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study, State Student Incentive Grant, Perkins Loan (formerly called National Direct Student Loan), Guaranteed Student Loan (GSL), Supplemental Loan for Students (SLS), PLUS loans, or Consolidation Loans;
 - d. I will be ineligible for the benefits described under Repayment and Deferral in this Note, including attorney's fees, that are permitted by Title IV of the Higher Education Act, if this loan is referred for Fair Debt Collection Practices Act. I will pay unpaid principal and accrued interest. Declaring this is at the option of the lender, which it may do at other requirements of law. Failure to exercise a lender's right to exercise the option at a later

will then be required to pay HEAF all amounts

AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of Higher Education Assistance Foundation ("HEAF") without recourse, provided, however, notwithstanding this indorsement without recourse, the undersigned hereby expressly:

1. Warrants that:

- a) no defense of any party is good against the undersigned; and
- b) the undersigned is not in default under the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and HEAF, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by HEAF.

2. Disclaims the implied warranty that it has no knowledge of any insolvency proceeding instituted with respect to the maker of this instrument and instead warrants that to the extent it has knowledge of any such proceeding it has disclosed the same to HEAF, but no other implied warranties are hereby disclaimed.**3. Acknowledges that:**

- a) upon payment in full by HEAF of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, HEAF will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
- b) notwithstanding payment by HEAF of the undersigned's claim and acceptance by HEAF of transfer of this instrument in consideration thereof, HEAF has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

SIGNATURE Carol Brown
X TITLE Claim Analyst DATE 5-25-90

FO025 10-87

in me a late charge if I fail to pay all or part of a after it is due or if I fail to provide written employment deferred as described under Deferral in this Note for each dollar of each late installment.

and its repayment will be reported to one or on this loan, the lender, holder or guaranty bureau organizations. This may significantly and

notify me at least 30 days in advance that information bureau organizations unless I enter into a request from any credit bureau organization organization about the accuracy and completeness

laws of the United States of America that the certify that the information contained in my correct to the best of my knowledge and belief on the front of the SLS program, I authorize the to me and my school. I hereby authorize the say be due me up to the amount of this loan. I that I may attend, or HEAF, to release to the agents, any requested information pertinent to, prior loan history, current address, I also agree, the educational institution, or HEAF to my parents (under the SLS program), or prior to my loan application and related documents listed in my loan application as references. I and telephone number. I also authorize the to check my credit and employment history with me. I certify that the proceeds of for the academic period stated on my loan of on the application. I understand that I am which cannot reasonably be attributed to advance at that institution for the loan period

requested my institution to estimate my eligibility for a Pell Grant, that I have done so and that I have requested my institution to estimate my eligibility for a Pell Grant. I certify that I am a borrower eligible for participation in the PLUS or SLS program and that I do not owe a refund to any Title IV aid program. I further certify that I have read the materials explaining the federal guaranteed student loan program which have been provided to me and that I understand my responsibilities and my rights under that program

SCHOOL CERTIFICATION

I hereby certify that the student named in Section A of this application is accepted for enrollment or is enrolled as at least a half-time student, and is making satisfactory progress in a program determined to be eligible for this loan program. I further certify that the student has been determined by this institution, under the regulations applicable to this loan program, to be eligible for the loan applied for. I further certify that based upon records available at this institution and due inquiry to the student, the student has satisfied the requirements under the Selective Service Act necessary to receive financial aid, is not in default on any loan made under any Title IV student assistance program identified in 34 CFR Part 668, and is not liable for any refund of any grant made under any Title IV student assistance program identified in 34 CFR Part 668. I further certify that this institution will comply with all applicable provisions of federal law and the rules, regulations, policies, and procedures of HEAF in the administration of this loan. The information provided in Sections A and B and this School Certification is true, complete, and correct to the best of my knowledge and belief.

SLS-A253 2-89

**U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA**

CERTIFICATE OF INDEBTEDNESS

Zenobia M. Reed
Zenobia M. Williams
3911 Somerset
Detroit, MI 48224

I certify that Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 09/10/98.

On or about 04/06/89, the borrower executed promissory note(s) to secure loan(s) of \$2,625.00 from First America Savings Bank, FSB dba MAHELP - Longmont, CO at 8% percent interest per annum. This loan obligation was guaranteed by Northstar Guarantee, Inc. and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 CFR. Part 682). The holder demanded payment according to the terms of the note(s), and credited \$0.00 to the outstanding principal owed on the loan(s). The borrower defaulted on the obligation on 12/31/90, and the holder filed a claim on the guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,828.53 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. The guarantor attempted to collect the debt from the borrower. The guarantor was unable to collect the full amount due, and on 05/07/93, assigned its right and title to the loan(s) to the Department.

Since assignment of the loan, the Department has received a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any. After application of these payments, the borrower now owes the United States the following:

Principal:	\$2,828.53
Interest:	\$1,673.05
Administrative/Collection Costs:	\$ 50.94
Late fees	\$ 0.00
Total debt as of 09/10/98:	\$4,552.52

Interest accrues on the principal shown here at the rate of \$0.62 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 9/22/98

Name: Joan Dyer
Title Loan Analyst
Branch Litigation Branch

HIGHER EDUCATION ASSISTANCE FOUNDATION
P.O. BOX 64107 • ST. PAUL, MN 55164-0107

After lender completes application,
mail HEAF copy only to this address.

HEAF USE ONLY

GUARANTEED
STUDENT LOAN
(GSL) APPLICATION/
PROMISSORY NOTE

SECTION A - TO BE COMPLETED BY BORROWER (PRINT IN INK - PRESS FIRMLY - OR TYPE)

1. NAME (NO NICKNAMES)

LAST Williams FIRST Zenobia M.I. M

4. PERMANENT ADDRESS

1052 Manistique

CITY

Detroit

STATE
MI

5. PERMANENT HOME PHONE

(313) 824-3745

6. U.S. CITIZENSHIP STATUS (CHECK 1 OR 2)

1 ☒ U.S. CITIZEN OR NATIONAL

2 ☐ PERMANENT RESIDENT OR OTHER ELIGIBLE ALIEN

ALIEN ID NUMBER IF APPLICABLE

7. PERMANENT RESIDENT OF WHICH STATE

MI

8a. DRIVER LICENSE NUMBER (IF YOU DO NOT HAVE A LICENSE, PRINT "NONE" AND GO TO 9)

none

8b. STATE IN WHICH LICENSE ISSUED

9. ADDRESS OF BORROWER WHILE IN SCHOOL (STREET, CITY, STATE, ZIP)

same

10. PHONE AT SCHOOL ADDRESS

() same

11. MAJOR GROUP OF STUDY, SEE CODES IN INSTRUCTIONS IN APP. BOOKLET

15

12. LOAN AMOUNT REQUESTED

\$ 2625

13. LOAN PERIOD FROM

3/89 TO 9/89

PRIOR LOAN INFORMATION: READ INSTRUCTIONS IN THE APPLICATION BOOKLET

14. HAVE YOU EVER DEFAULTED ON A GSL, SLS (ALAS), PLUS, PERKINS, CONSOLIDATED, OR INCOME CONTINGENT LOAN?

☐ YES (GIVE DETAILS ON SEPARATE SHEET) ☒ NO

15a. DO YOU HAVE ANY PRIOR UNPAID GSL LOANS?

☐ YES (GO TO 15b) ☒ NO (GO TO 20a)

15b. IF YES, TOTAL UNPAID BALANCE OF GSL LOANS

\$

16. UNPAID PRINCIPAL BALANCE OF MOST RECENT PRIOR GSL

\$

17. GRADE LEVEL OF MOST RECENT PRIOR GSL: SEE INSTRUCTIONS IN APP. BOOKLET

18. LOAN PERIOD START DATE OF MOST RECENT PRIOR GSL

MO

DAY

YR

19. INTEREST RATE (IF 6%+ RECENT PRIOR USE)

☐ 7% ☐ 8% ☐ 9%

REFERENCES (YOU MUST PROVIDE THREE DIFFERENT NAMES, WITH DIFFERENT U.S. ADDRESSES AND PHONE NUMBERS)

20a. NAME

Tom O'Brien

STREET

5267 Beacensfield

CITY, STATE, ZIP

Detroit, MI 48224

20b. NAME

Angela Brookes

STREET

15760 14th St

CITY, STATE, ZIP

Detroit, MI 48238

20c. NAME

Laoerne Baily

STREET

12760 Flander

CITY, STATE, ZIP

Detroit, MI 48205

NOTICE TO BORROWER: You agree that the lender identified in Section C is the lender you intend to borrow from. You agree to pay to the order of my lender the entire Loan Amount Requested shown above, to the extent that it is advanced to me, including the Guarantee Fee and the Origination Fee and interest of the unpaid principal balance, subject to the terms and conditions described on the reverse side of this Promissory Note and to the terms and conditions contained in the Disclosure Statement that will be provided to me no later than the time of the first disbursement of the loan. I have read, I understand, and I agree to the Borrower's Certification on the reverse side of this Promissory Note. I understand that this is a Promissory Note. I will not sign it before reading all of its provisions, even if otherwise advised. I am entitled to a copy of this Promissory Note. By signing this Promissory Note I acknowledge that I have received an exact copy of it.

21a. SIGNATURE OF BORROWER (APPLICATION CANNOT BE PROCESSED WITHOUT SIGNATURE)

Zenobia Williams

21b. DATE BORROWER SIGNED

4/16/89

SECTION B - TO BE COMPLETED BY SCHOOL (BORROWER, DO NOT WRITE IN SECTIONS BELOW)

22. NAME OF SCHOOL

United Schools Inc.

23. ADDRESS (STREET, CITY, STATE, ZIP)

P.O. Box 0399 Clearwater, FL 34618-0399

24. PHONE

(813) 784-0600

25. SCHOOL TYPE

022952

26. SCHOOL TYPE

022952

27. PERIOD LOAN WILL COVER

3/23/89 TO 9/23/89

28. STUDENT'S GRADE LEVEL (CHECK ONE)

1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 ☐ 11 ☐ 12 ☐ GRAD

29. ANTICIPATED GR. DURATION

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GSL PROMISSORY NOTE**A. PROMISE TO PAY**

The interest, Guarantee Fee, and Origination Fee rates and terms (mentioned in the Promise to Pay on the front of this application) are:

INTEREST

(1) I agree to pay an amount equivalent to simple interest (as specified in (4)) on the unpaid principal balance from the date of disbursement until the entire principal sum and accrued interest are paid in full.

(2) However, the U.S. Secretary of Education ("Secretary") will pay the interest that accrues on this loan prior to repayment status and during my deferment, if it is determined that I qualify to have such payments made on my behalf under the provisions governing the Guaranteed Student Loan Program ("GSLP"). In the event that the Secretary does not pay the interest on this loan, the lender or other holder of this Note may attempt to collect the interest from me. I may, however, choose to pay this interest myself.

(3) Once the repayment status begins I will be responsible for payment of all interest that accrues on this loan, except that if the interest accruing on this loan prior to the repayment period was payable by the Secretary, the Secretary will pay the interest that accrues during any period described under DEFERMENT in this Promissory Note.

(4) The interest rate will be determined according to the following:

- If I have an outstanding Guaranteed Student Loan(s) ("GSL") on the date I sign this Note, the applicable interest rate will be the same as the applicable interest rate on the outstanding GSL(s).
- If I am borrowing for a period of enrollment which begins before July 1, 1988, and I have no outstanding GSL(s), the applicable interest rate on this loan will be 8%.
- If I am borrowing for a period of enrollment which begins on or after July 1, 1988, and I have no outstanding GSL(s) but I do have an outstanding balance on any Parent Loans for Students ("PLS") or Supplemental Loans for Students ("SLS") made for enrollment on or after July 1, 1988, the applicable interest rate on this loan will be 8%.
- If I am borrowing for a period of enrollment which begins on or after July 1, 1988, and I have no outstanding balance on any PLS, PLUS, or SLS made for enrollment on or after July 1, 1988, the applicable interest rate on this loan will be 11% beginning with the first year of my repayment status and will be 10% beginning with the second year of my repayment status.

(5) The applicable interest rate:

- until the end of the first year of my repayment status, and
- beginning with the fifth year of my repayment status will be

(6) I may also receive rebates of interest, if required by the High School when the applicable interest rate is 10%.

(7) The lender or other holder of this Note may add accrued interest (capitalization) of this loan in accordance with the Rules and Regulations of the Higher Education Assistance Foundation (HEAF).

I understand that if I am eligible for federal interest benefits, the lender or other holder of this Note may add accrued interest (capitalization) of this loan in accordance with the Rules and Regulations of the Higher Education Assistance Foundation (HEAF).

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E. DEFERMENT

I understand that in certain instances authorized by the Act the payments I am required to make, as described under Repayment in this Note, may be deferred. The manner in which such deferral is authorized by the Act is described under Deferral in the HEAF application information packet. I agree to comply with the relevant federal regulations and the Rules and Regulations of the HEAF, including, without limitation, submission or required forms by the lender.

G. FORBEARANCE

If I am unable to repay this loan in accordance with the terms established under Repayment in this Note, I may request the lender to modify these terms. I understand that such a modification would be at the lender's option and would have to be in compliance with the Act, federal regulations adopted under the Act and the Rules and Regulations of HEAF. I understand that a modification of repayment terms under this Section is different from Deferral (as described in this Note) and that during this period I will remain responsible for payment of interest, which the lender may (a) collect from me on a periodic basis or (b) add to the principal balance of this loan.

H. DEFAULT

(1) Default— I understand that under the Act, and HEAF Rules and Regulations, any of the following events is a default:

- failing to make any installment payment when due, provided that the failure persists for 180 days for a loan repayable in monthly installments or 240 days for a loan repayable in less frequent installments;
- making any false representation for the purpose of obtaining this loan;
- using the loan proceeds for other than educational purposes;
- failing to enroll in the school that I am attending for the purpose identified as my loan purpose.

(2) I understand that if I am a half-time student, (b) change my current address.

(3) I understand that if I am a half-time student, (b) change my current address.

(4) I understand that if I am a half-time student, (b) change my current address.

(5) I understand that if I am a half-time student, (b) change my current address.

(6) I understand that if I am a half-time student, (b) change my current address.

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(37) I understand that if I am a half-time student, (b) change my current address.

(38) I understand that if I am a half-time student, (b) change my current address.

(39) I understand that if I am a half-time student, (b) change my current address.

AFFIX TO BACK OF PROMISSORY NOTE

Pay to the order of Higher Education Assistance Foundation ("HEAF") without recourse, provided, however, notwithstanding this indorsement without recourse, the undersigned hereby expressly:

- Warrants that:
 - no defense of any party is good against the undersigned; and
 - the undersigned is not in default under the terms of that certain Lender Agreement for Guarantee of Student loans with Federal Reinsurance ("Lender Agreement") between it and HEAF, in accordance with which payment of the indebtedness evidenced by this instrument was guaranteed by HEAF.
- Disclaims the implied warranty that it has no knowledge of any insolvency proceeding instituted with respect to the maker of this instrument and instead warrants that to the extent it has knowledge of any such proceeding it has disclosed the same to HEAF, but no other implied warranties are hereby disclaimed.
- Acknowledges that:
 - upon payment in full by HEAF of the claim submitted by the undersigned pursuant to the aforesaid Lender Agreement, HEAF will have discharged all of its obligations to the undersigned arising out of said Lender Agreement; and
 - notwithstanding payment by HEAF of the undersigned's claim and acceptance by HEAF of transfer of this instrument in consideration thereof, HEAF has not waived any rights that it may have against the undersigned pursuant to the terms of the aforesaid Lender Agreement.

SIGNATURE
x Mike Hovs
TITLE Claims Analyst
DATE 2-13-91

F0025 10-87

I have been provided to me and that I understand my responsibilities and my rights under that program.

SCHOOL CERTIFICATION

I hereby certify that the student named in Section A of this application is accepted for enrollment or is enrolled as at least a half-time student, and a making satisfactory progress in a program determined to be eligible for this loan program. I further certify that the student has been determined by this institution, under the regulations applicable to the loan program, to be eligible for the loan applied for. I further certify that based upon records available at this institution and due inquiry of the student, the student has satisfied the requirements under the Selective Service Act necessary to receive financial aid, is not in default on any loan made under any Title IV student assistance program identified in 34 CFR Part 668, and is not liable for any refund of any grant made under any student assistance program identified in 34 CFR Part 668. I further certify that this institution will comply with all applicable provisions of federal law and the rules, regulations, policies and procedures of HEAF in the administration of this loan. The information provided in Sections A and B and this School Certification is true, complete, and correct to the best of my knowledge and belief.

AUG 29 89

GSL-A304.A305 A307 2-88